

MASTER BILL TO END PORTAL SUITS FILED

Indicated Republican Choice
Offered in House, Shaped to
Win High Court Acceptance

By WILLIAM S. WHITE
Special to THE NEW YORK TIMES.

WASHINGTON, Jan. 7—The master bill to be used by House Republicans, with much Democratic support, in the effort to end portal-to-portal back pay suits was introduced today with powerful assured backing.

Its sponsor, Representative John W. Gwynne, of Iowa, is a member of the judiciary committee, which will have jurisdiction over the legislation, and he consulted in advance with Earl C. Michener of Michigan, committee chairman. It was indicated that this was to be labeled "the" measure, among

Continued on Page 17, Column 6

Portal Pay Suits by Republicans

Just should be given retroactive merely prospective effect." While leading House Republicans are thus centering on their legal strategy, quick Senate action is foreshadowed.

Senator Robert A. Taft of Ohio, chairman of the Senate Labor Committee, disclosed that, granting early solution of minor jurisdictional issues, that group probably would begin hearings next week on curative legislation. He added that this issue in any case would be first on the committee's agenda.

The Gwynne bill, apart from sharply limiting the jurisdiction of the courts, would set up these restrictions:

Suits for back pay would be invalid in any case if not made within a year from the date when overpayment was claimed to have occurred.

Fresh suits would have to be filed within ninety days of the enactment of the proposed law.

Men or unions demanding back pay would bear the burden of proof and an employer could not lose a suit by failure to produce records so long as these had not been required by published regulations.

When suits were won, attorney's fees could not be assessed against employers at more than 5 per cent of the judgment and in no circumstances at more than \$5,000.

Mr. Gwynne said that the Supreme Court's decision had the effect of approving claims for back pay even when these were based on time not considered to be properly overtime in employer-employee contracts then in effect.

Too, he declared the court had indicated that an employee could not settle claims on compromise figures with assurance that such a settlement would be binding.

On this point, the bill specified that such compromises would be final in the absence of fraud or duress.

"Certain laws are being interpreted and enforced without regard to long standing practices and customs in the particular industry, heretofore considered to be a part of every agreement," Mr. Gwynne declared.

"In some cases this is being done in spite of specific agreement to the contrary and as a result the entire philosophy of collective bargaining is being jeopardized.

"Definitions of work time, left by Congress largely to employer and employee, are being drawn within the orbit of administrative regulation and court decision."

The Government, too, he noted, has a stake in these suits, adding that some of the judgments obtained would be proper charges against the Treasury that might add billions of dollars to the cost of the war.

Suits Mount to \$3,360,237,690

Portal-to-portal wage suits—now nearing the \$3,500,000 mark—mounted slowly but steadily yesterday toward the industry-predicted \$5,000,000,000 peak, The Associated Press reported.

As Pegler Sees It

Discusses Aspects Of Fay's Jersey Trial

By WESTBROOK PEGLER

Copyright, 1947, King Features Syndicate, Inc.

AFTER A DIFFICULT INQUIRY which lasted about three years, special agents of the Treasury were able to present information to the Federal Grand Jury in Newark, N. J., indicating that Joe Fay, the plug-ugly gangster boss of the Operating Engineers' Union of the American Federation of Labor, had concealed income of \$197,000 in 1940, 1941 and 1942.



WESTBROOK PEGLER

On Dec. 10, the Grand Jury indicted Fay, charging that he had evaded taxes of \$137,548.

On Dec. 18, the Associated Press reported from Newark that the case was assigned to Judge Thomas F. Meaney and that Edgar H. Rossbach, the U. S. District Attorney, had announced that the trial was set to begin about Jan. 6.

Fay, though a rough, brutal hoodlum and a drunkard, is also one of the most audacious and resourceful political racketeers in the New Deal-underworld axis.

He is a henchman of Frank Hague, the Jersey boss, and an intimate social and political companion of most of the influential judges, public prosecutors

and other officials of the Hague machine in Newark and Jersey City.

He has lived in Newark for years and is a member of the biggest social club of Hague politicians. His influence is so strong that the average harmless citizen, drawn for jury duty, might be put in fear of ruinous reprisals of one kind or another, including physical violence.

JUDGE MEANEY, NAMED TO HOLD THE TRIAL, is an old, intimate friend and political protege of Fay's friend, Hague. He owes his appointment to Hague, an appointment which aroused strong objections in the U. S. Senate before he could be confirmed.

Altogether, the objections to Meaney's confirmation were such as to justify the most attentive scrutiny of his conduct of the Fay trial if he should fail to disqualify himself. Certainly Meaney could not impair public confidence in the honesty of the trial and the court if he should decide to let the Fay case go to some other judge, preferably a man from some other State.

Mr. Rossbach, the District Attorney, also is a member of the Hague political group. It will be up to him to present the case against Fay and, of course, to take any precautions that he believes necessary and wise to prevent tampering and to exclude from the box jurors who have relations with Fay or might be sensitive to temptation or pressure.

The possible ramifications of influence are infinite. A juror might be in debt to a bank controlled by the machine. He might have a relative in the employ of Fay or the machine. He might be a contractor or closely related to a contractor who could be ruined by union trouble from Fay.

Such are possibilities that a prosecutor is supposed to explore carefully in selecting a jury.

In this case, the judge, the prosecutor and the defendant all are members of a notorious political organization. The defendant is a desperate, ruthless and powerful politician who has been fighting for three years to keep out of prison.

And he is known to have the sympathy of a circle of cynical and powerful old gang politicians who say they feel he has been punished enough by his worries and the expense of his previous trial in New York and the appeals.

IN NEW YORK COUNTY, FAY was convicted in the State court of extortion and conspiracy through a shakedown of contractors who built the Delaware Aqueduct. This was a \$300,000,000 job financed largely by Federal money.